including without limitation those set forth below in Section 8, which shall have account on or prior to the date of such termination.

7. Separate Entities. No officer, employee, agent, servant or independent contractor of either party hereto or their respective subsidiaries or affiliates shall at any time be deemed to be an employee, servant or agent of the other party for any purpose whatsoever, and the parties shall use commercially resonable effects to prevent any such misrepresentation. Nothing in this Agreement shall be deemed to create any joint venture, partnership or principal-agent relationship between Programmer and Affiliate, and neither shall hold itself out in its advertising or in any other manner which would indicate any such relationship with the other.

8. Indemnification: Limitation of Liability.

8.1 By Programmer. Programmer shall indemnify, defend and hold barnless each of Affiliate, its Affiliated Companies (as defined below), Affiliate's contractors, subcontractors and authorized distributors and the directors, officers, employees and agents of Affiliate, such Affiliated Companies and such contractors, subcontractors and distributors (collectively, the "Affiliate Indemnitees") from, against and with respect to any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' and expert's fees) incurred in connection with any claim against any of the Affiliate Indemnitees arising out of

In addition, Programmer shall pay and hold the Affiliate Indemnitees harmless from any federal, state, or local taxes or fees which are based upon revenues derived by, or the operations of, Programmer. As used in this Section 8, "Affiliated Company(ies)" shall mean, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control (i.e., the power to direct affairs by reason of ownership of voting stock, by contract or otherwise) with such person or entity and any member, director, officer or employee of such person or entity.

8.2 Ry Affiliate. Affiliate shall indemnify, defend and hold harmless each

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of Programmer, its Affiliated Companies, Programmer's contractors, subcontractors and authorized distributors, each supplier to Programmer of any portion of the Service hereunder and each participant therein and the directors, officers, employees and agents of Programmer, such Affiliated Companies, such contractors, subcontractors and distributors and such suppliers and participants therein (collectively, the "Programmer Indemnitees") from, against and with respect to any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' and experts' fees) incurred in connection with any claim against the Programmer Indemnitees arising out of (i) Affiliate's breach of any provision of this Agreement, (ii) the distribution by Affiliate of the Service, including, without limitation, the insertion of commercial or other announcements pursuant to Section 3 hereof (except with respect to claims relating to the content of the Service for which Programmer is solely responsible pursuant to Section 8.1(ii) and Section 8.1(iii)), (iii) Affiliate's advertising and marketing of the Sarvice (except with respect to such advertising and marketing materials or content supplied or approved by Programmer), and (IV) any other materials, including advertising or promotional copy, supplied or approved by Affiliata. In addition, Affiliate shall pay and hold Programmer Indemnitees harmless from any federal, state, or local taxes or fees, including any fees payable to local franchising authorities, which are based upon revenues derived by, or the operations of, Affiliate.

8.3 Survival. Termination of this Agreement shall not affect the continuing obligations of each of the parties hereto as indemnitors bereunder. The party wishing to assert its rights set form in this Section 8 shall promptly notify the other of any claim or legal proceeding with respect to which such party is asserting such right. Upon the written request of an indemnitee, the indemnitor will (1) assume the defense of any claim, demand or action against such indemnitee and/or (2) allow the indemnitee to participate in the defense thereof, such participation to be at the expense of the indemnitee. Settlement by the indemnitee without the indemnitor's prior written consent shall release the indemnitor from the indemnity as to the claim, demand or action so settled.

8.4 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT:

8.4.1 IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, WIETTIER FORESCEABLE OR NOT, OCCASIONED BY ANY FAILURE TO PERFORM OR THE BREACH OF ANY GREGATION LINDER THIS AGREEMENT FOR ANY CAUSE WHATSOEVER, WHETHER BASED ON NEGLIGENCE OR OTHER WISE.

8.4.2 IN NO EVENT SHALL ANY PROJECTIONS, FORECASTS, ESTIMATIONS OF SALES AND/OR MARKET SHARE OR EXPECTED PROFITS, OR OTHER ESTIMATIONS OR PROJECTIONS BY AFFILIATE OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES, REGARDING OR RELATED TO AFFILIATE'S DTH BUSINESS BE BINDING AS COMMITMENTS OR, IN ANY WAY, PROMISES BY AFFILIATE.

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9. <u>Notices</u>. Except as set forth below, all notices hereunder shall be in writing and delivered by hand or sent by cortified mail, return receipt requested, fax, or by an overnight delivery service to the receiving party at its address set forth above or as otherwise designated by written notice. Notice to Programmer shall be provided as follows:

if by mail, facsimile or overnight or personal delivery:

Sky Italia s.r.l.

Vla Salaria 1021 00138 Roma Italia

SKY Italia s.r.l.

Attention; Commercial Director/International

Distribution

Fax: +39 (06) \$866.3624 Cc: Legal Department Fax: 02.7002.7525

Notice to Affiliate shall be provided as follows:

If by mail or facsimile: DIRECTV. Inc.

P.O. Box 92424

Los Angeles, California 90009

Attention: Executive Vice President, Programming

Fax: (310) 535-5426 cc: General Counsel Fax: (310) 964-4991

If by overnight or personal delivery:

DIRECTY, Inc.

2230 East Imperial Highway

El Segundo, California 90245

Attention: Executive Vice President, Programming

cc; General Counsel

Notice given by mail shall be considered to have been given five (5) days after the date of mailing, postage prepaid certified or registered mail. Notice given by facsimile machine shall be considered to have been given on the date receipt thereof is electronically acknowledged. Notice given by an overnight delivery service shall be considered to have been given on the next business day.

10. Waiver. The failure of any party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or similar nature. Subject to Section 8.4 above, all rights and remedies reserved to either party shall be cumulative and shall not be in limitation of any other right or remedy which such party may have at law or in equity.

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- 12. Laws of California and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, except to the extent that the parties' respective rights and obligations are subject to mandatory local, State and Federal laws or regulations. Any dispute that may later arise with respect to any term or provision of this Agreement shall be resolved in the appropriate State or Federal district court sitting in Los Angeles, California, it being the clear intent of the parties hereto to consent to such exclusive jurisdiction and venue and hereby waive all right to contest such exclusive venue and jurisdiction. This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous, express or implied, written or oral, agreements, representations or conditions between the parties with respect thereto. Programmer agrees that any judgment that Affiliate may obtain against Programmer or an Affiliated Company of Programmer shall be fully enforceable in any foreign jurisdiction and Programmer hereby waives any right to contest such enforceability.
- Entite Agreement and Section Headings. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements, or understandings relating to the subject matter hereof. This Agreement shall not be modified other than in a writing signed by each of the parties hereto. The section headings hereof are for the convenience of the parties only and shall not be given any legal effect or otherwise affect the interpretation of this Agreement.
- 14. Severability. The parties agree that each provision of this Agreement shall be construed as separable and divisible from every other provision and that the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision hereof. In the event that a court of competent jurisdiction determines that a restriction contained in this Agreement shall be unenforceable because of the extent of time or geography, such restriction shall be deemed amended to conform to such extent of time and/or geography as such court shall deem reasonable.
- 15. Confidentiality. The parties agree that they and their employees have maintained and will maintain, in confidence, the terms and provisions of this Agreement, as well as all data, summaries, reports or information of all kinds, whether oral or written, acquired or devised or developed in any manner from the other party's personnel or files or any proprietary or subscriber information provided by one party to the other party (the "Confidential Information"), and that they have not and will not reveal the same to any persons not employed by the other party except: (A) at the written direction of the other party, (B) to the extent necessary to comply with the law or the order of a court of competent jurisdiction, in which event the disclosing party shall so notify the other party as promptly as practicable (and, if possible, prior to making any disclosure) and shall seek confidential

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treatment of such information, or in connection with any arbitration proceeding; (C) as part of its normal reporting or review procedure to its parent company, its auditors and its attorneys, and such parent company, auditors and attorneys agree to be bound by the provisions of this Section 15; (D) in order to enforce any of its rights pursuant to this Agreement; (E) to the NRTC, potential investors, insurers, financing entities and, in the case of Affiliate, to any entity engaged in its DTH business; provided, however, that such person described above agrees to be bound by the provisions of this Section 15; or (F) if at the time of disclosure the Confidential Information is in the public domain through no fault of the disclosing party.

During the Term, neither party shall issue an independent press release with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other party.

- 16. <u>Inadequacy of Money Damages</u>. Programmer acknowledges and agrees that the grant of rights to Affiliate hereunder are special and unique, and that Affiliate would not be adequately compensated by the payment of money damages in the event that Programmer failed to comply with any of its obligations under this Agreement, including without limitation, providing access to any Service programming to Affilians, as required hereunder.
- 17. <u>Cessation of Program Distribution</u>. If Affiliate determines that its provision of any Service programming violates any Law, then, following written notice to Programmer, Affiliate may cease distributing such programming to the extent, but only to the extent, necessary and for the time necessary, as reasonably determined by Affiliate, to prevent such violation of Law from continuing.
- 18. <u>Survival of Representations and Warranties</u>. All representations and warranties contained herein or made by the parties, and each of them, in connection herewith shall survive any independent investigation made by either party.

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21. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all such counterparts together shall constitute but one and the same instrument. The parties also agree that this Agreement shall be binding upon the fixting by each party of a signed signature page thereof to the other party. If such a faxing occurs, the parties agree that they will each also immediately post, by Federal Express, a fully executed original counterpart of the Agreement to the other party.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

DIRECTY, INC.

By:

Name: Aurah McNally Title: P. Ligarhand

Æν:

Name:

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EXHIBIT A

PROGRAMMER'S RATE CARD

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EXHIBIT B

PROGRAMMING SCHEDULE

(See Attached)

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EXHIBIT C

TECHNICAL SPECIFICATIONS

- A fully integrated broadcast quality NTSC program feed (in 4:3 aspect ratio) must be
 delivered to the DIRECTV Broadcast Center(s) (to be selected solely by DIRECTV).
 All feeds must be delivered via satellite or fiber optic transmission. All costs
 associated with delivery to both broadcast centers to be borne solely by Programmer.
- Should Programmer elect to deliver via satellite, Programmer must use an encrypted C or Ku-band feed delivered via a geostationary satellite typically used for television program delivery and located in the US domestic arc (defined here to be 70 degrees WL to 139 degrees WL).
- 3. Should Programmer elect fiber optic delivery to either or both DIRECTV broadcast centers, Programmer must use dedicated facilities providing continuous 24x7 end-end connectivity. Programmer to be named customer of record with all associated telecom service providers thereby assuming all operational, troubleshooting and preventative maintenance responsibilities associated with supporting the program feed. DIRECTV may, upon 90 days notice, require Programmer (at Programmer's sole expense) to re-terminate a fiber optic feed to an alternate DIRECTV Broadcast Center.
- 4. Program provider must supply two sets of such receivers, decoders, codecs, delay units and all other equipment as required to produce a main program feed to the DIRECTV Breadcast Center. In the event that, Affiliate requires Programmer to deliver a program feed to a second Broadcast Center in order to produce a backup feed, two additional sets of equipment (four sets total) shall be provided. All required equipment must arrive at least one (1) month prior to start of testing. Testing shall commence approximately two weeks prior to the Service Commencement Date.
- 5. The technical quality of all supplied signals must be within applicable RS-250 and SMPTE specifications and must be consistently maintained throughout the testing and on-going operations periods. Video noise must not be apparent when viewed on a broadcast quality television monitor. Addit must be delivered distortion free with at least 10db of headroom. All audio channels must be phase aligned and in lip sync with the video as measured at the output of provider's supplied equipment.
- 6. Prior to start of testing, Programmer must furnish to DIRECTV complete service specific technical details for the proposed transmission path between Programmer and DIRECTV's Broadcast Centers. Such information to include all transmission service providers, satellites and coordinates, transponders, encryption methods, fiber circuit numbers, DTMF tone formats, 24x7 telephone contacts and such other information as needed to completely detail the path sufficient to facilitate immediate outage recovery in the event of a loss of continuity.

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7. Programmer to support a complete end-to-end thread test between the program origination point and DIRECTV's Broadcast Center(s) using the actual transmission path, configuration and equipment to be used in on-going operations. Start of testing to begin approximately two (2) weeks prior to the start of service. Tests must be encrypted. Programmer to schedule and fully support such additional tests and all other work as required to ensure a successful DIRECTV start of service.

NOTE: In the event of a conflict between the requirements set forth in this Exhibit "C" and those elsewhere in the Agreement, the requirements of this Exhibit "C" shall control.

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PAG 29/29

REDACTED FOR PUBLIC INSPECTION

ARBIDIATION AGREDMENT FOR DTH SATELLITE EXHIBITION OF CABLE NETWORK PROGRAMMING

DIRECTV, INC.

and

STAR DIH (NO. 1) CO. LTC

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AFRILIATION AGREEMENT

FOR DIH SATELLITE EXHIBITION

OF CABLE NETWORK PROGRAMMING

AGREEMENT, made as of by and between Star DTH (No. 1) Co. Ltd., a company with a registered office at 10 Frere Felix de Valois Street, Port Louis, Mauritius ("Programmer"), and DIRECTV, INC., a California corporation ("Affiliate").

WHEREAS:

- A. Affiliate has established a direct broadcast service ("DTH") satellite-based television system in North America; and
- B. Affiliate desires to obtain the rights to distribute "Star Plus", "Star One", "Star News" and "Vijay IV" (each a "Service," collectively, the Services) via the DIH Distribution System (as defined in Section 1.1.2 below) in the United States, its territories and possessions, including Puerto Rico, but excluding any United States military bases in Asia within the footprint of the AsiaSat 3S satellite (the "Territory")

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Grant of Rights.

1.1 Distribution; Certain Definitions

1.1.1 Programmer hereby grants to Affiliate the nonexclusive right, to, and Affiliate shall (subject to the provisions herein), distribute the Services in the Territory via the DTH Distribution System

during the Term (as defined in

Section 6.1 below) hereof

1.1.2 The term "DTH Distribution System" shall mean

"DIRECTV

Subscribers" shall mean those customers (both residential and non-residential) authorized by Affiliate to receive DTH service via the DTH Distribution System and SMATV (as defined in Section 1.2 3 below).

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12 <u>The Services</u>

1.2.1 The "Services" shall mean and consist of the national feed (or, if Programmer uses multiple feeds for the Services, such other of such multiple feeds designated by Affiliate) of the Hindi-language programming services commonly known as "Star Plus" (U.S. feed) (Hindi general entertainment), "Star One" (U.S. feed) (Hindi general entertainment) and "Star News" (U.S. feed) (Hindi news) and the Tamil-language general entertainment programming service commonly known as "Vijay TV" (U.S. feed), each Service being presented on a 24-hour per day, 7 days a week schedule as represented by the programming schedule attached hereto as Exhibit "B" hereto. The Services shall not contain any 💼, including without limitation, 🛋 Notwithstanding the foregoing, the Services may contain provided such programming does not hours per week and Programmer does not exceed more than 🐞 (other than from the applicable studio in exchange for the exhibition of such programming

Each Service shall be delivered to Affiliate in its entirety, meaning that the programming on the Services, as received by any Service Subscriber (as defined in Section 2.1 below) at a given point in time, shall be the same as the programming that is received by all other subscribers to the Services (including any programming that uses the name, brand or logo of the Services or any variation thereof) at

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such point in time. If Programmer or an Affiliated Company of Programmer (which for purpose of this sentence shall only include Star Group Limited and its subsidiaries) provides for distribution by any other distributor, the Programmer shall promptly provide Affiliate distribution of upon the same terms and conditions provided to the other distributor; provided however, if such terms and conditions are not relevant to Affiliate or Affiliate is not reasonably capable of complying with such terms and conditions taking into consideration , including, without limitation, Affiliate's and Affiliate's , then the parties shall negotiate comparable obligations, terms and conditions in good faith. The Services shall be free from any and all forms of except for 🛲 Subject to this Section 1.2.1 and Section 2.4, Programmer reserves all } (i.e.¶ rights not specifically granted under this Agreement including but not limited to the right to syndicate individual programming on the Services or a part of any of the Services or the right to distribute all or part of the Services on a pay television basis.

1 2.2 All rights and title in and to the entire contents of the Services, including, but not limited to, films and reordings thereof, title or titles, names, trademarks, concepts, stories, plots, incidents, ideas, formulas, formats, general content and any other literary, musical, artistic, or other creative material included therein shall, as between Programmer and Affiliate, remain vested in Programmer

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1.2.4 Programmer shall not propose or impose upon Affiliate, nor

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shall Affiliate be obligated to pay, any surcharge or other cost (other than the License Fees provided for in Section 2 hereof) for receipt and distribution of the Services

1.3 Other Distribution Obligations. In addition, the parties agree as follows:

1.3.1 Subject to Programmer's obligations hereunder and Affiliate's rights under Section 17, Affiliate shall distribute the Services as transmitted by Programmer, in its entirety, in the order and at the time transmitted by Programmer without any intentional and willful editing, dubbing, voicing-over, sub-titling, re-formatting, delays, alterations, interruptions, deletions or additions (collectively, the "Alterations") excepting:

(A) Affiliate's commercial or other announcements, as permitted by Section 3 hereof; (B)

Programmer acknowledges that the DTH Distribution System requires and applies digital compression and encryption processes prior to transmission and decryption and decompression processes upon reception and agrees that such processing does not constitute an alteration and/or other modification of the Services. Programmer shall fully encrypt the satellite signal of the Services utilizing encryption technology commonly used in the satellite distribution industry.

1.3.2 Programmer shall, at its sole expense, deliver the feed of the Services (each feed shall be free of any commercial or promotional programming, logos, announcements or any other commercial or promotional references except as permitted in Section 1.2.1 for Sponsored Programming and except as permitted under the first sentence of Section 3 for promotions of the Services or the programming thereon and public service announcements) using a fiber optic or other facility reasonably acceptable to Affiliate (the "Delivery Source") to Affiliate's uplink and broadcast facility currently located in Los Angeles, California (the "Broadcast Center"). Affiliate reserves the right to designate an alternate and/or additional location for its Broadcast Center(s) upon one hundred and twenty (120) days prior notice to Programmer, and Programmer shall remain responsible for delivery of the Service and related equipment (e.g., receivers and decoders) to such new location at Programmer's sole expense. In connection with the foregoing, Programmer shall, at its sole cost and expense, (A) deliver such feeds, pursuant to the technical specifications set forth in Exhibit "C" attached hereto; and (B) provide Affiliate with two receivers and decoders for each of the Services for the Broadcast Center. Programmer shall have in place appropriate back-up transponder space on a second domestic communications satellite, or shall reserve back-up fiber link to the Broadcast Center, such that in the event of a failure of the first satellite or fiber link, delivery of the Services to Affiliate shall not be interrupted or discontinued. The format of the backup feed shall be a communications satellite commonly used for transmission of television programming (or, at Programmer's option and expense, a fiber optic or other facility reasonably acceptable to Affiliate). As of the Service Commencement Date (defined in Section 6.1), the feed of the Services shall be delivered by fiber link from Hong Kong.

1.3.3 Programmer and Affiliate shall use their respective

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commercially reasonable efforts to maintain for the Services a high quality of signal transmission in accordance with their respective technical standards and procedures. Programmer agrees to include closed-captioning and/or narrative audio of the audio portion of the Services as delivered by Programmer to Affiliate in a manner sufficient to allow Affiliate to comply with any closed-captioning and/or narrative audio obligations as may be imposed upon Affiliate or Programmer by Law (as defined in Section 2.1) during the Ierm, as modified from time to time; provided, however, that if Affiliate pays any costs incurred in

Accordingly Programmer

shall indemnify, defend and hold hamless Affiliate, as provided in Section 8 hereof, against and from any and all losses, liabilities, claims, costs (including without limitation, any costs of preparing and including closed-captioning and/or narrative audio in the Services), damages and expenses, including without limitation, fines, forfeitures, attorneys' fees, disbursements and court or administrative costs, arising out of Programmer's breach of this Section 1.3.3.

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- 1.4 <u>Program Guide</u> During the Term, Programmer, at its sole cost and expense, shall provide the daily programming schedule for the Services translated into the English language and using the English alphabet to Tribune Media Service (or such other service as may be designated by Affiliate) in order that Affiliate may access the program schedule for use on its on-screen program guide
- 1.5 VBI. Programmer acknowledges that digitizing and compressing of the signal of the Services (the "Signal") will result in changes to the Signal. As a consequence, the DTH Distribution System does not currently retransmit any data or information contained in the VBI of the Signal except line 21, fields 1 and 2, and only carries a single mono secondary audio program provided that such secondary audio is programmed twenty-four (24) hours per day/seven (7) days per week ("SAP"). Accordingly, in no event shall Affiliate be obligated to transmit more than the primary video and a single stereo pair of primary audio programs to be associated with the Signal, a single mono SAP associated with the Signal, and line 21, fields 1 and 2 of the VBI. Programmer reserves and retains all rights in and to all signal distribution capacity contained within the bandwidth of the Signal, including without limitation, the VBI and audio subcarriers from its transmission point to the point of reception by Affiliate. Affiliate retains and reserves any and all rights in and to, and may use in its sole discretion, all Signal distribution capacity contained within the bandwidth of the Signal, including, without limitation, the VBI and audio subcarriers, from the point of reception by Affiliate to the DIRECTV Subscribers in the Territory.
- New Services. Programmer agrees that it will not use the Services to nest or incubate 4 within the Services, nor will it "clone" the by migrating programming from the Services to Services into at which is distributed by Programmer in the Territory unless to Affiliate Programmer provides without requiring the payment of additional License Fees and Affiliate agrees to carry such second service. Any programming that has been exhibited on any of the Services during the in the Territory during the Term on Term shall not be except in accordance with Programmer's Syndication rights set forth in Section 1.2.1 Subject to the foregoing and Section 1.2.1, this Section 1.6 shall not preclude Programmer from launching 🗷 in the Territory provided that 🛭 programs contained in said service had been

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- Change of Delivery Mechanism. In the event Programmer either (i) 1.7 changes the satellite or the primary delivery mechanism it uses to transmit the Services to the Broadcast Center, (ii) changes the technology used by Programmer to encrypt the Services to a technology not compatible with Affiliate's then-existing descrambling equipment, or (iii) compresses, digitizes or otherwise modifies the signal of the Services in such a manner that it cannot be received or utilized by Affiliate, then Affiliate shall have the right to discontinue carriage of the Services immediately upon providing written notice to Programmer of such discontinuance; provided that this right of discontinuance and deletion shall not apply to Affiliate if Programmer agrees to promptly reimburse Affiliate for (I) the actual third party cost to acquire and install equipment necessary for Affiliate to receive the signal of the Services from such new satellite or other transmission medium, and/or (II) the actual third party cost to acquire and install equipment necessary for Affiliate to descramble, receive and/or utilize the signal of the Services; Programmer shall use all reasonable endeavors to provide Affiliate with at least one hundred twenty (120) days' prior written notice of a delivery mechanism or technology change as set forth in subsections (i) through (iii) above.
- 1.8 On-Screen Logos. It is understood and agreed that Affiliate may superimpose a logo or "bug" in a corner of the screen identifying Affiliate over the programming of the Service; provided however that Affiliate's bug shall appear only intermittently during any portion of the Service, and provided further that Affiliate shall not delete the Services' own promotion bug or its on-screen graphics.
- 1.9 <u>Security</u>. Affiliate shall use commercially reasonable efforts to employ adequate security systems to prevent theft and/or unauthorized exhibition of the Services.

2 Reports and Payments.

2.1.1 Reports: Payments: Audit Rights. Within after the end of each month during the Term, Affiliate shall furnish Programmer a statement containing the number of "Service Subscribers" (defined as DIRECTV Subscribers authorized by Affiliate to receive the Services), as calculated by Affiliate as the average of the total number of Service Subscribers on the first and last day of the applicable month (the "Monthly Subscriber Level") together with payment of the License Fees in respect of such Service Subscribers, calculated pursuant to Section 2.2 Said statement shall be certified by Affiliate's staff accountant. Notwithstanding anything to the contrary herein, Affiliate shall have the right to deduct from any License Fees or any other payments,

owing to Programmer any withholding taxes or any other taxes as required by applicable Law. Affiliate shall use good faith efforts to promptly assist Programmer; in its submission of relevant documentation in respect of exemption or reduction (if applicable) of such withholding taxes or other taxes. As used herein, "Law" shall mean any FCC and any other governmental (whether international, federal, state, municipal or otherwise) statute, law, rule, regulation, ordinance, code, directive and order, including without limitation, any court order. All monetary amounts stated herein are in

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United States dollars unless otherwise indicated. Programmer shall accord confidential treatment to any information contained in the aforementioned statement in accordance with Section 15.

2 1.2 At Programmer's request, Affiliate shall permit Programmer's independent representatives to review, during the Term (no more than once each calendar year) and for after the end of the Term and on a one-time basis, such DIRECTV Subscriber records as required for the sole purpose of verifying such statements at reasonable times, upon reasonable advance written notice and during normal business hours at Affiliate's offices. Such review shall be at Programmer's sole cost and expense, unless such review reveals an underpayment of more than proof License Fees due, in which case Affiliate shall reimburse Programmer the reasonable cost of such audit and shall promptly make payment of any fees due and owing, provided (A) Affiliate does not have a bona fide dispute with the audit findings; and (B) such audit costs shall not exceed such underpayment. Any third party auditors retained by Programmer to conduct such audit shall be a certified public accountant (subject to Affiliate's reasonable approval, which approval shall not be unreasonably withheld, delayed or qualified). Such audit shall be conducted upon reasonable advance written notice during normal business hours at Affiliate's offices and in such manner as not to interfere with Affiliate's normal business activities and shall not continue for more) business days. Programmer shall not have the right to examine or inquire into any matters or items which are embraced by or contained in any such statement after the expiration ٥f months from and after the date of mailing of such statement, and such statement shall be final and conclusive upon Programmer upon the expiration of such eighteen period notwithstanding that the matters or items embraced by or contained therein may later be contained or referred to in a cumulative statement pertaining to more than one accounting period Such cumulative statement shall not be subject to audit by Programmer to the extent the material contained therein was first reflected on a statement submitted more than prior to the date of mailing of such cumulative statement. Programmer shall be forever barred from maintaining or instituting any formal action or proceeding based upon, or in anyway relating to, any matters that are embraced by or reflected on any statement rendered hereunder, or the accuracy of any item appearing therein, unless written objection thereto shall have been delivered by Programmer to Affiliate within the date of mailing of the statement on which such transaction or items was first reflected and unless such action or proceeding is commenced within such written objection. Programmer may not commence a new audit until all prior audits have been closed (i.e., after such closure is confirmed in writing by Programmer) and the results have been presented to Affiliate. If Programmer shall audit Affiliate's books and records, of the conclusion of such audit (i.e. after the then Programmer shall, within auditors conclude the audit at Affiliate's offices), inform Affiliate in writing of any claim (whether or not amounting to any formal action or proceeding) resulting therefrom (including

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a true copy of any third party audit, and, except for the claims set forth in such notice, all statements rendered by Affiliate with respect to the period covered by such audit shall be conclusive and binding on the parties and not subject to further audit. The information derived from and the process of such review shall be subject to the confidentiality provisions of Section 15, and any third party auditor shall be required to acknowledge in writing its agreement to such confidentiality provisions.

2.2 <u>License Fees</u> Without prejudice to Programmer's rights to reimbursement or indemnification hereunder, as full and complete compensation for Affiliate's right to distribute the Services, subject to Affiliate's right to set-off under Section 6.4, Affiliate shall pay to Programmer, on a monthly basis, for each Service Subscriber receiving the Services from Affiliate for such month, a "License Fee" determined pursuant to Programmer's rate card for the Services, provided that for each twelve-month period after the Service Commencement Date (as defined below)

2.3 <u>Late or Non-Payments</u>. Any amounts that are not subject to a bona fide dispute by Affiliate and not paid by Affiliate after (i) the date payment is due pursuant to the first sentence of Section 2.1 and (ii) ten (10) days after Affiliate's receipt of written notice from Programmer of such failure by Affiliate, shall accrue interest at the rate of percent (%) per annum or at the highest lawful rate, whichever shall be the lesser, from the date such amounts were due until they are paid.

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2.5 <u>Bulk Billing</u> Affiliate shall have the right to calculate License Fees with respect to the distribution of the Services to any location containing multiple sites such as rooms, units, seats, televisions, etc., at which the Services may be received at such multiple sites within the location, including, without limitation, hotels, motels, commercial; office huildings, hospitals and other healthcare facilities, university dormitories, prisons, multiple dweiling; facilities, commercial bluss, ships, trains and oil rigs, private and commercial planes, bars and restaurants and similar commercial locations (each, a "Bulk-Rate Facility(ies)"), as follows: "Bulk Bill Service Subscribers" shall be included as Service Subscribers under Section 2.2 above, and such Bulk Bill Service Subscribers shall be calculated monthly by dividing Affiliate's total monthly revenues received (net of applicable taxes, refunds and rebates) from each account at Bulk-Rate Facilities attributable to the level of services received at the Bulk-Rate Facility including the Services, by the non-bulk bill prices of such level of services. The License Fees payable for Bulk Service Subscribers shall be calculated by multiplying the Programmer's tate card for the Services (as set forth in Exhibit A) by the number of Bulk Service Subscribers derived according to the formula in the

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preceding sentence

Format for Service.

Affiliate shall insert its

authorized commercial or other announcements only in the positions and at the times which Programmer designates via cue tones and without interruption of any program of the Services. Affiliate shall be solely responsible for all materials inserted by Affiliate within the Services, and, subject to Section 8, shall fully indemnify and hold Programmer harmless from and against any and all claims and costs arising out of or related to the content of Affiliate's Avails pursuant to this Section 3 Affiliate agrees that it shall not provide any commercial or other announcements which do not comply with applicable governmental codes or Programmer's reasonable policies and practices and, in each case, of which Affiliate has actual knowledge.

Marketing and Promotion.

4.1 <u>Packaging</u> Affiliate shall package and price the Services in a program package(s) (residential or otherwise) or on an a la carte basis as Affiliate may determine in its sole discretion;

Star Plus shall be included in all Hindi

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language packages offered by Affiliate. Star News shall be included in any Hindi language news packages offered by Affiliate. Star Vijay shall be included in all Tamil language packages offered by Affiliate.

Programmer's Sales and Marketing Materials. Programmer shall provide Affiliate, upon Affiliate's request, with promotional and marketing advice for purposes of Affiliate's marketing of the Services. Programmer shall promptly provide Affiliate, upon the same terms as provided to any Other Distributor, with any and all promotional, marketing or other related or similar materials of (or related to) the Services which it produces or provides to such Other Distributor; and if Affiliate shall request additional materials, then Programmer shall promptly provide such materials (if available) to Affiliate and Affiliate shall reimburse Programmer for the actual, third-party costs (including, without limitation, shipping costs) thereof Programmer shall promote Affiliate's carriage of the Service at least as favorably as it promotes the carriage of the Services by any Other Distributor (including, without limitation, the frequency, prominence and calling by specific name) Affiliate shall have the non-exclusive and non-transferable right to use the names, titles or logos of the Services or any of its programs, or the names, voices, photographs, music, likenesses or biographies of any individual participant or performer in, or contributor to, any program or any variations thereof owned or controlled by Programmer and so advised in advance to Affiliate ("STAR Marks"), in material intended to promote the Services DIRECTV Subscribers or potential DIRECTV Subscribers

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- 4.3.2 <u>Demographic Database</u>. Subject to availability and law, Programmer shall provide a database of the names, addresses, telephone numbers and e-mail addresses of potential Service Subscribers to be used by Affiliate up to four (4) times per year for Affiliate direct mail marketing, such database to be updated by Programmer on a reasonable basis.
- 4.4 <u>Dealer Showroom Accounts.</u> Affiliate shall be entitled to authorize agents authorized to sell Affiliate's programming services, including without limitation, consumer electronic equipment dealers, TVRO dealers, telephone companies, private cable

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